

2011 Electronic Prescribing (eRx) Incentive Program Update

In November, the Centers for Medicare & Medicaid Services announced that beginning in 2012, eligible professionals who are not successful electronic prescribers may be subject to a payment adjustment. Section 132 of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) authorizes CMS to apply this payment adjustment whether or not the eligible professional is planning to participate in the eRx Incentive Program.

The payment adjustment in 2012, with regard to all of the eligible professionals' Part B-covered professional services, will result in the eligible professional or group practice receiving 99% of the Physician Fee Schedule (PFS) amount that would otherwise apply to such services. In 2013, the eligible professional will receive 98.5% of their covered Part B-eligible charges if they aren't a successful electronic prescriber. In 2014, the penalty for not being a successful electronic prescriber is 2% resulting in eligible professionals receiving 98% of their covered Part B charges.

For purposes of determining which eligible professionals or group practices are subject to the payment adjustment in 2012, CMS will analyze claims data from January 1, 2011-June 30, 2011 to determine if the eligible professional has submitted at least 10 electronic prescriptions during the first six months of calendar year 2011. Group practices reporting as a GPRO I or GPRO II in 2011 must report all of their required electronic prescribing events in the first six months of 2011 to avoid the payment adjustment in 2012.

Please see the "Getting Started" webpage at <http://www.cms.gov/erx incentive> on the CMS website for more information; or download the *Medicare's Practical Guide to the Electronic Prescribing (eRx) Incentive Program* under Educational Resources.

If an eligible professional or selected group practice wishes to request an exemption to the eRx Incentive Program and the payment adjustment, there are two "hardship codes" that can be reported via claims should one of the following situations apply:

- G8642 - The eligible professional practices in a rural area without sufficient high speed internet access and requests a hardship exemption from the application of the payment adjustment under section 1848(a)(5)(A) of the Social Security Act.
- G8643 - The eligible professional practices in an area without sufficient available pharmacies for electronic prescribing and requests a hardship exemption from the application of the payment adjustment under section 1848(a)(5)(A) of the Social Security Act

Additionally, there will be a G code which can be used by eligible professionals to indicate that they do not have prescribing privileges. Reporting this G code will prevent the eligible professional from being subjected to a payment adjustment in 2012.